

AMENDED

**APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA**

Date of filing in State Engineer's Office SEP 20 1990
 Returned to applicant for correction NOV 07 1990
 Corrected application filed JAN 07 1991
 Map filed JAN 07 1991

The applicant HORIZON GOLD SHARES, INC.

1536 Cole Blvd. Suite 104

Street and No. or P.O. Box No.

Golden

City or Town

Colorado 80401

State and Zip Code No.

, hereby make^S application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

Incorporated March 12, 1980 in Colorado

1. The source of the proposed appropriation is underground.
Name of stream, lake, spring, underground or other source
2. The amount of water applied for is 1.0 second-feet
One second-foot equals 448.83 gals. per min.
 (a) If stored in reservoir give number of acre-feet _____
3. The water to be used for Mining, Milling and Domestic.
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated _____
 - (b) Stockwater, state number and kinds of animals to be watered _____
 - (c) Other use (describe fully under "No. 12. Remarks") _____
 - (d) Power:
 - (1) Horsepower developed _____
 - (2) Point of return of water to stream _____
5. The water is to be diverted from its source at the following point within an unsurveyed 40-acre sub-division estimated to be at NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 14 Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated. M.D.B.&M. from which the well location bears N04°51'W a distance of 4204.72 feet; bears from a U.S.C.&G.S. benchmark 34TT (C-T04)
6. Place of use within Sections 11, 12, 13, 14 Township 23 North Rangd 35 East, MDB&M Churchill County, Nevada. All of the said lands are located within unsurveyed sections.
Describe by legal subdivision. If on unsurveyed land, it should be so stated.
7. Use will begin about January 1 and end about December 31, of each year.
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, distribution system storage pond and reclamation system
State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.
9. Estimated cost of works \$100,000

10. Estimated time required to construct works.....Two (2) years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use.....Five (5) years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Water will be used for processing and heap leaching of gold-bearing ores associated with the development of this new mining project, the Dixie-Comstock Project. Annual use from all sources will not exceed 724 acre-feet per year. ***NOTE Bearings are based on Santa Fe Gold local coordinate grid between two existing USC & GS bench mark monuments. Bearing and distance being N. 33° 11' 11" E. 5555.25'.

By: Michael Henderson
Michael E. Henderson
5400 Equity Ave.
Reno, NV 89502

Compared.....bc/ bc

Protested.....

DENIAL
OF STATE ENGINEER
deny

This is to certify that I have examined the foregoing application, and do hereby ~~grant~~ the same, subject to the following limitations and conditions:

Applications 55308 through 55314, inclusive, and 56987 through 56990, inclusive, are hereby denied on the grounds that the applicant failed to submit the data and information requested by the State Engineer's Office and that without this information the granting of the applications would be detrimental to the public interest.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed.....cubic feet per second.....

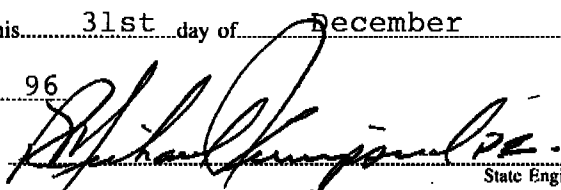
Work must be prosecuted with reasonable diligence and be completed on or before.....

Proof of completion of work shall be filed on or before.....

Application of water to beneficial use shall be made on or before.....

Proof of the application of water to beneficial use shall be filed on or before.....

Map in support of proof of beneficial use shall be filed on or before.....

Completion of work filed.....IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.
State Engineer of Nevada, have hereunto set my hand and the seal of my
Proof of beneficial use filed.....office, this.....31st day of.....December
Cultural map filed.....A.D. 19.....96
Certificate No.....Issued.....

State Engineer